



State of Delaware
Office of the Auditor of Accounts
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State Auditor

Working Hard to Protect YOUR Tax Dollars

Inspection

Fiscal Year 2019 Purchase Card Performance Metrics

May 20, 2020

We performed an inspection to compare the Purchasing Card (Pcard) program by state agency and school district. We identified agencies as “Best Practice” or “Needs Improvement” according to key performance measures. Additionally, we calculated a potential cost-avoidance savings if a portion of State checkbook transactions were converted to PCard transactions. Our study determined that the benefit of the processing-cost savings far exceeds the potential rebate.

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Abbreviations

PCard – Purchasing Card
SUA – Single Use Account

The mission of the Delaware Office of the Auditor of Accounts

The Delaware Auditor of Accounts serves Delawareans by ensuring accountability in the use of taxpayer dollars through independent assessments of financial operations, performance management and statutory compliance of state government.

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Background

In our report dated March 18, 2019, “Purchase Card Inspection, Fiscal Year 2017 – Full Report”, we recommended the State consider increasing PCard use to maximize potential rebate savings. We estimated that the State could generate \$1.6 million in revenue from additional credit card rebates if it redirected \$66.0 million in checkbook transactions to the PCard program.

PCard transactions are recognized as having lower per-transaction processing costs. Organizations are finding it more costly to process a large number of low-value transactions; therefore, the focus of our study was small dollar transactions defined as those under \$2,500.

We designed this inspection to determine if the cost savings can be significantly greater than the rebate. The average administrative cost of traditional payment is approximately \$90 versus about \$20 for PCard transactions, according to a study conducted by RPMG Research Corporation in 2014.¹ Private company and government reports frequently cite this report in estimating a cost avoidance savings per PCard transaction of approximately \$70. A cost study performed at the Washington State Department of Transportation estimated a cost savings per PCard transaction of approximately \$44.² A third study conducted on Harford County Public Schools of Maryland, estimated a cost savings of \$59.³

This engagement is not a code-mandated audit that our office is required to perform. We chose to perform this study as a practice aid to train new auditors on our data analytics software as well as to support the Government Efficiency & Accountability Review Board (GEAR) initiatives related to the State PCard program.

According to the Government Finance Officers Association, the benefits of PCard programs include:

1. Simplified purchasing and payment process;
2. Lower overall transaction processing costs per purchase;
3. Increased management information on purchasing histories;
4. Reduced paperwork;
5. Decentralized procurement function;
6. The ability to set and control purchasing dollar limits;
7. The ability to control purchases to specific merchant categories and vendors; and
8. Receipt of rebates from the bank based upon dollar volume of total purchases.⁴

Delaware’s PCard

The PCard is designed to effectively meet most purchasing and travel needs. It is intended to streamline and simplify the purchasing and accounts payable functions by eliminating waste and low-value activities, ultimately, reducing transaction costs and improving vendor relations.

Another method of vendor payment used by the State is Single-Use Accounts (SUA). As an electronic payment method, the SUA contains the functionality of a check and credit card. The SUA generates a unique card number for the supplier to run the transaction and is only available for a specified amount of

¹ 2014 *Purchasing Card Benchmark Survey*, RPMG Research Corporation, 2014

² Cost Savings: Purchasing Cards vs. Traditional Purchase Orders in the Government Sector, NAPCP, 2015

³ Cost Savings: Purchasing Cards vs. Traditional Purchase Orders in the Government Sector, NAPCP, 2015

⁴ *Purchasing Card Programs*, Government Finance Officers Association, 2011

time. Currently, J.P. Morgan administers the State's SUA. The State receives the same rebate from SUA as PCard usage. Since we analyzed PCard use compared to traditional forms of payment, we have excluded SUA transactions from our study.

Report Details

We designed our study to analyze the PCard program by state agency and school district through the calculation of key PCard program performance measures. We imitated key metrics used in "*The State of the P-Card*", Gupta, Markus, and Palmer, 2011.⁵ Similar to that study, we calculated the following:

- Number of transactions under \$2,500 made on the PCard as a percentage of the number of total transactions under \$2,500
- Number of transactions between \$2,500 (including \$2,500) and \$10,000 made on Pcards as a percentage of the number of total transactions between \$2,500 and \$10,000
- Agency PCard spending as a percentage of the total amount spent by the agency

We calculated the three metrics listed above for each agency and school district. We also ranked each organization on each of these three metrics and assigned each to a quadrant according to its performance. Similar to the methodology of the "*State of the PCard*" study, we defined "Best Practice" programs as those that have reported at least one top quartile (and no bottom quartile) metric across 3 key PCard performance measures. The "Needs Improvement" programs report at least one metric at the bottom quartile and none in the top. Appendix A lists the results for each agency, school district and charter school. We have also indicated whether each organization's PCard program is considered "Best Practice" or "Needs Improvement" according to our analysis. We have also included additional performance and activity measures for consideration.

A review of the classification of agencies in Appendix A indicates that 14 of the 24 "Best Practice" organizations are traditional state agencies. The "Best Practice" classification also includes 10 charter schools.

The "Needs Improvement" group is comprised primarily of school districts and charter schools. Of the 25 organizations in this grouping, only two are traditional state agencies and three are offices of other elected officials of the state. The other 21 organizations are school districts and charter schools.

For analysis purposes, we have segregated the state agencies from the school districts and charter schools. The table below illustrates key differences between the average "Best Practice" group as compared to the average "Needs Improvement" group.⁶ This grouping includes state agencies, other state elected offices and Delaware Technical Community College.

⁵ Gupta, Markus, and Palmer (2011), 'The State of the P-Card', *GoPro The Official Publication of NIGP*, pp. 52-56

⁶ Gupta, Markus, and Palmer (2011), 'The State of the P-Card'

Purchasing Card Program Differences between the Best Practice and Needs Improvement Groups - AGENCIES			
	Best Practice Group	Needs Improvement Group	Percentage Difference
Statistics			
Number of Employees	824	100	-87.86%
Program Performance Measures			
Number of Purchasing Cards	210	33	-84.29%
Purchasing Card to Employee Ratio	25.49%	33.00%	29.49%
Average Monthly Pcard Spending	\$ 364,532	\$ 12,306	-96.62%
Median Monthly Pcard Spending*	\$ 193,055	\$ 3,007	-98.44%
Transactions under \$2500 on Pcard	19.31%	9.57%	-50.44%
Transactions between \$2,500 & \$10,000 on Pcard	5.89%	0.20%	-96.60%
Monthly Pcard Spending Per Employee	\$ 405	\$ 148	-63.46%
Cardholder Activity Measures			
Monthly Pcard Transactions per Card	3	21	600.00%
Spending Per Transaction	\$ 569	\$ 148	-73.99%
Monthly Spending Per Card	\$ 2,021	\$ 276	-86.34%

The table below highlights the differences between the average PCard program at the “Best Practice” group as compared to the “Needs Improvement” group. The organizations analyzed in the table below are all school districts and charter schools.

Purchasing Card Program Differences between the Best Practice and Needs Improvement Groups - School Districts			
	Best Practice Group	Needs Improvement Group	Percentage Difference
Statistics			
Number of Employees	74	731	893.21%
Program Performance Measures			
Number of Purchasing Cards	6	7	16.67%
Purchasing Card to Employee Ratio	8.15%	0.96%	-88.25%
Average Monthly Pcard Spending	\$ 13,647	\$ 12,227	-10.41%
Median Monthly Pcard Spending*	\$ 12,241	\$ 9,783	-20.08%
Transactions under \$2500 on Pcard	20.59%	3.21%	-84.41%
Transactions between \$2,500 & \$10,000 on Pcard	3.87%	0.28%	-92.76%
Monthly Pcard Spending Per Employee	\$ 196	\$ 47	-76.02%
Cardholder Activity Measures			
Monthly Pcard Transactions per Card	9	8	-11.11%
Spending Per Transaction	\$ 294	\$ 263	-10.54%
Monthly Spending Per Card	\$ 2,485	\$ 2,646	6.48%

Cost Savings

Another goal of this study was to calculate an estimated cost-avoidance savings the State could generate by converting a portion of checkbook transactions to PCard transactions and to determine whether this cost savings is greater than the potential rebate. We estimated the amount of traditionally processed items that are eligible to be converted to Pcard transactions as well as the potential cost savings per transaction.

To determine how many transactions are eligible for this conversion, we focused on small dollar items, which would potentially have a high processing cost to the size of the transaction. We reviewed all transactions processed during the State's fiscal year, from July 1, 2018 to June 30, 2019, and determined how many under \$2,500 were processed during that time period. Those results are listed in Appendix B. We found that 1,216,471 checkbook transactions under \$2,500 were processed. These transactions in total were \$388,768,116.

To be conservative, we estimated that only five percent of these transactions are eligible for conversion to Pcard for processing. Therefore, our assumption is that 60,790 of 1,216,471 checkbook transactions are

potentially eligible to be converted to Pcard transactions. We also estimated that these transactions totaled \$19,438,406, or five percent of the total (\$388,768,116 from above).

In calculating the potential cost savings per transaction, we referenced a number of research studies which found transaction savings ranging from \$44 to \$70. To be conservative, we are using the smallest estimated cost savings per transaction \$44 as the differential between the two payment methods. Using these assumptions, we estimate that the State could generate an annual cost-avoidance savings of approximately \$2.6 million if five percent of these checkbook transactions were converted to PCard transactions.

We estimate that these transactions would have generated an additional \$50,218 in rebates, based on a percentage of the Fiscal Year 2019 rebate.

The estimated cost avoidance savings of \$2,674,760 far exceeds the potential rebate to be generated as a result of converting five percent of checkbook transactions to the PCard.

Conclusion

According to the most conservative of the benchmarks we cited, the processing costs for small dollar transactions (under \$2,500) approximate 10% of the cost of the purchased item. While the State benefits greatly from the PCard rebate program, the potential cost-avoidance savings from additional PCard use is much more significant.

As a whole, the State would benefit from increased use of the PCard for small dollar transactions. It appears that many school districts and charter schools are not fully benefitting from efficiencies and cost savings associated with the State's PCard program.

Recommendations

PCard Usage

We recommend that the Division of Accounting assist all state agencies, charter schools, and school districts by promoting the use of PCards for eligible small dollar transactions. This would help the State realize available rebate revenues and generate cost savings from efficiencies in PCard processing.

Objective, Scope, and Methodology

Objective:

Similar to the study “*The State of the P-Card*”, Gupta, Markus, and Palmer, 2008,⁷ our objectives were to:

- Analyze the State’s PCard program through key performance measures;
- Rank and assign agencies to “Best Practice” and “Needs Improvement” groups based on performance
- Identify key PCard program differences between the two groups; and
- Quantify a potential cost-avoidance savings if a percentage of State checkbook transactions were converted to PCard transactions

Scope:

The scope of the inspection was PCard and checkbook transactions for Fiscal Year Ending June 30, 2019.

Methodology:

Our procedures consisted of the following:

- Document reviews, including applicable laws and regulations, agency policies and procedures pertaining to study objectives, and published reports, audits or studies on relevant topics
- Data analysis, which may include data collected by agencies and/or data compiled by the Office of the Auditor of Accounts. Data collection may involve surveys or focus groups.
- Site visits to agencies and school districts that are under review.
- Interviews with employees, agency representatives, and other relevant organizations or individuals.

⁷ Design of study and performance metrics/ table used with permission by NIGP

Management's Response



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State of Delaware

Inspection – Fiscal Year 2019 Purchase Card Performance Metrics

The Department of Finance/Division of Accounting is appreciative of the efforts of the Office of the Auditor of Accounts in performing this inspection of the program, highlighting the cost savings to the State by converting transactions from traditional check payment to the purchasing card program. The Division of Accounting (DOA) continually promotes both the use of the PCard by State Organizations and the enrollment of vendors in the Single Use Account (SUA) program.

As a key participant in the Government Efficiency and Accountability Review (GEAR) Board, DOA actively reviews policies, procedures and programs for both cost savings and efficiencies. As part of this effort, DOA joined with the Office of the State Treasurer (OST) for an RFP for banking services that resulted in increased rebates for the card program. We are also working with OST to develop promotional information on the benefits of the State's electronic payment programs. In addition, DOA actively participates in several multi-state information sharing groups for purchasing and electronic payment programs to continually enhance our efforts and best practices for card usage. And finally, over the past several months, DOA has worked with JPMorgan Chase, our program provider, to actively recruit new vendors to the SUA program.

Thank you for the opportunity to provide our input and we look forward to receiving suggestions and recommendations on additional ways to actively promote the card program to create time efficiencies and cost savings for the State.

Appendix A

Metrics															
Dept ID	DIV ID	Department	Number of Employees	# of Purchasing Cards	Purchasing card to employee ratio	Average monthly PCard Spending	Transactions Under \$2500 on Pcard	Transactions Between \$2500 and \$10,000 on Pcard	Monthly Pcard Spending Per Employee	Monthly Transaction Per Card	Spending Per Transaction	Monthly Spending Per Card	Best Practice	Needs Improvement	Standard
1		Legislative	84	20	23.81%	\$ 17,205.46	24.32%	2.04%	\$ 204.83	4	\$ 223.93	\$ 860.27	X		
2		Judicial	1177	77	6.54%	\$ 118,557.52	5.73%	4.16%	\$ 100.73	5	\$ 339.87	\$ 1,539.71	X		
10		Office of the Governor	352	96	27.27%	\$ 249,960.78	8.82%	5.85%	\$ 710.12	3	\$ 811.34	\$ 2,603.76	X		
11		Department of Technology and Information (DTI)	283	61	21.55%	\$ 238,831.55	23.90%	12.21%	\$ 843.93	3	\$ 1,532.61	\$ 3,915.27	X		
15		Attorney General	583	113	19.38%	\$ 110,874.87	23.15%	2.42%	\$ 190.18	4	\$ 273.88	\$ 981.19	X		
16		Department of Human Resources	222	29	13.06%	\$ 12,229.75	6.72%	0.35%	\$ 55.09	2	\$ 276.90	\$ 421.72			X
20		Department of State	547	217	39.67%	\$ 179,300.16	26.08%	3.73%	\$ 327.79	3	\$ 236.78	\$ 826.27	X		
25		Department of Finance	266	59	22.18%	\$ 60,670.32	22.71%	2.38%	\$ 228.08	3	\$ 404.24	\$ 1,028.31	X		
35		Department of Health and Social Services (DHSS)	3339	520	15.57%	\$ 156,078.16	7.05%	0.46%	\$ 46.74	2	\$ 167.15	\$ 300.15			X
37		Department of Services for Child, Youth & Their Families	1163	463	39.81%	\$ 156,912.37	21.38%	2.60%	\$ 134.92	2	\$ 181.44	\$ 338.90	X		
38		Department of Corrections	2,413	208	8.62%	\$ 1,914,416.07	23.22%	18.23%	\$ 793.38	5	\$ 2,033.01	\$ 9,203.92	X		
40		Department of Natural Resources & Envir. Control	648	529	81.64%	\$ 382,755.67	20.50%	3.59%	\$ 590.67	3	\$ 225.37	\$ 723.55	X		
45		Department of Safety and Homeland Security (DSHS)	1202	370	30.78%	\$ 206,809.55	21.98%	3.53%	\$ 172.05	2	\$ 254.01	\$ 558.94	X		
55		Department of Transportation	1643	245	14.91%	\$ 1,022,192.21	15.24%	11.58%	\$ 622.15	5	\$ 898.10	\$ 4,172.21	X		
60		Department of Labor	383	96	25.07%	\$ 45,645.61	4.14%	0.83%	\$ 119.18	2	\$ 233.18	\$ 475.48		X	
65		Department of Agriculture	128	91	71.09%	\$ 46,811.99	14.10%	2.60%	\$ 365.72	2	\$ 230.70	\$ 514.42	X		
70		Department of Elections	41	7	17.07%	\$ 10,413.12	5.76%	1.13%	\$ 253.98	8	\$ 195.25	\$ 1,487.59			X
75		Fire Prevention Commission	72	21	29.17%	\$ 16,063.43	21.96%	0.29%	\$ 223.10	3	\$ 231.41	\$ 764.93			X
76		Delaware National Guard	110	26	23.64%	\$ 16,118.89	9.54%	1.79%	\$ 146.54	2	\$ 257.22	\$ 619.96			X
77		Advisory Council for Exceptional Citizens	3	2	66.67%	\$ 488.14	7.67%	0.00%	\$ 162.71	1	\$ 195.26	\$ 244.07		X	
12	02	Auditor Of Accounts	20	10	50.00%	\$ 2,847.92	19.00%	0.88%	\$ 142.40	1	\$ 219.07	\$ 284.79			X
12	05	State Treasurer	22	13	59.09%	\$ 3,007.26	6.22%	0.18%	\$ 136.69	97	\$ 2.38	\$ 231.33		X	
12	03	Insurance Commissioner	88	48	54.55%	\$ 11,432.32	15.81%	0.00%	\$ 129.91	2	\$ 117.86	\$ 238.17		X	
12	01	Lieutenant Governor	5	5	100.00%	\$ 955.67	14.01%	0.00%	\$ 191.13	1	\$ 191.13	\$ 191.13		X	
90	04	Delaware Technical Community College	1046	387	37.00%	\$ 398,155.20	19.28%	7.53%	\$ 380.65	3	\$ 315.12	\$ 1,028.82	X		

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Appendix A (continued)

Dept ID	DIV ID	Department	Number of Employees	# of Purchasing Cards	Purchasing card to employee ratio	Average monthly PCard Spending	Transactions Under \$2500 on Pcard	Transactions Between \$2500 and \$10,000 on Pcard	Monthly Pcard Spending Per Employee	Monthly Transaction Per Card	Spending Per Transaction	Monthly Spending Per Card	Best Practice	Needs Improvement	Standard
95	85	Academy of Dover Charter School	31	-	0.00%	\$ -	0.00%	0.00%	\$ -	-	\$ -	\$ -		X	
95	82	Kuumba Academy Charter School	76	3	3.95%	\$ 7,093	10.08%	2.72%	\$ 93	6	\$ 417.25	\$ 2,364	X		
95	71	Positive Outcomes Charter School	30	3	10.00%	\$ 9,330	19.54%	5.17%	\$ 311	12	\$ 259.18	\$ 3,110	X		
95	70	The Charter School Of Wilmington	66	4	6.06%	\$ 9,952	25.09%	2.63%	\$ 151	9	\$ 284.34	\$ 2,488	X		
95	79	Delaware Military Academy	45	6	13.33%	\$ 10,171	19.16%	8.94%	\$ 226	4	\$ 391.18	\$ 1,695	X		
95	69	ASPIRA Academy	115	7	6.09%	\$ 11,269	19.12%	0.85%	\$ 98	9	\$ 178.87	\$ 1,610	X		
95	72	East Side Charter School	73	8	10.96%	\$ 13,213	18.81%	4.39%	\$ 181	6	\$ 300.31	\$ 1,652	X		
95	80	Charter School of New Castle	68	4	5.88%	\$ 13,513	24.17%	1.91%	\$ 199	16	\$ 217.95	\$ 3,378	X		
95	29	Appoquinimink School District	1406	60	4.27%	\$ 100,802	14.27%	2.30%	\$ 72	7	\$ 241.73	\$ 1,680			X
95	77	Sussex Academy Of Arts/Science	67	7	10.45%	\$ 13,943	26.10%	1.98%	\$ 208	9	\$ 211.26	\$ 1,992	X		
95	76	Thomas A Edison Charter School	71	4	5.63%	\$ 17,574	17.46%	5.53%	\$ 248	10	\$ 439.35	\$ 4,394	X		
95	17	Cape Henlopen School District	1063	25	2.35%	\$ 56,327	6.55%	1.63%	\$ 53	6	\$ 361.07	\$ 2,253			X
95	01-06	Department of Education	241	140	58.09%	\$ 71,613	12.27%	1.45%	\$ 297	2	\$ 339.40	\$ 512			X
95	40	Sussex Technical School District	173	19	10.98%	\$ 32,379	13.10%	1.40%	\$ 187	6	\$ 272.09	\$ 1,704			X
95	39	Polytech School District	177	7	3.95%	\$ 19,874	9.55%	0.93%	\$ 112	11	\$ 258.11	\$ 2,839			X
95	37	Delmar School District	139	7	5.04%	\$ 11,486	8.37%	0.91%	\$ 83	6	\$ 287.15	\$ 1,641			X
95	87	Providence Creek Academy Charter School	62	3	4.84%	\$ 4,137	5.76%	0.87%	\$ 67	5	\$ 295.51	\$ 1,379			X
95	15	Lake Forest School District	536	18	3.36%	\$ 35,829	8.35%	0.86%	\$ 67	7	\$ 269.39	\$ 1,990			X
95	88	MOT Charter School	125	14	11.20%	\$ 30,410	26.34%	4.53%	\$ 243	9	\$ 233.92	\$ 2,172	X		
95	74	Campus Community School	40	3	7.50%	\$ 3,008	9.15%	0.83%	\$ 75	4	\$ 231.35	\$ 1,003			X
95	86	Odyssey Charter School	191	2	1.05%	\$ 11,187	10.78%	0.76%	\$ 59	20	\$ 286.85	\$ 5,594			X
95	92	Gateway Lab School	33	1	3.03%	\$ 1,081	4.68%	0.00%	\$ 33	5	\$ 216.22	\$ 1,081		X	
95	35	Woodbridge School District	379	2	0.53%	\$ 11,894	4.30%	0.42%	\$ 31	16	\$ 371.69	\$ 5,947			X
95	89	Newark Charter School	234	1	0.43%	\$ 3,052	3.45%	0.00%	\$ 13	9	\$ 339.12	\$ 3,052		X	
95	24	Smyrna School District	749	2	0.27%	\$ 8,927	3.18%	0.33%	\$ 12	14	\$ 330.62	\$ 4,463		X	
95	16	Laurel School District	294	5	1.70%	\$ 9,783	3.82%	0.48%	\$ 33	6	\$ 337.33	\$ 1,957		X	
95	38	New Castle County Vo Tech School	639	1	0.16%	\$ 11,359	2.75%	0.49%	\$ 18	41	\$ 277.06	\$ 11,359		X	
95	18	Milford School District	522	9	1.72%	\$ 12,423	2.42%	0.57%	\$ 24	3	\$ 400.75	\$ 1,380		X	
95	13	Capital School District	1105	5	0.45%	\$ 13,658	1.63%	0.18%	\$ 12	8	\$ 325.20	\$ 2,732		X	
95	23	Seaford School District	526	26	4.94%	\$ 15,817	7.61%	0.17%	\$ 30	4	\$ 158.17	\$ 608		X	
95	33	Christina School District	2736	10	0.37%	\$ 18,257	0.57%	0.07%	\$ 7	3	\$ 536.98	\$ 1,826		X	
95	31	Brandywine School District	1527	10	0.65%	\$ 21,679	1.57%	0.54%	\$ 14	6	\$ 387.13	\$ 2,168		X	
95	36	Indian River School District	1536	30	1.95%	\$ 27,100	3.86%	0.20%	\$ 18	4	\$ 205.30	\$ 903		X	
95	10	Caesar Rodney School District	1159	24	2.07%	\$ 27,433	4.05%	0.54%	\$ 24	4	\$ 308.24	\$ 1,143		X	
95	34	Colonial School District	1570	10	0.64%	\$ 36,781	3.12%	0.70%	\$ 291	8	\$ 465.58	\$ 8,649		X	
95	32	Red Clay Consolidated School District	2436	5	0.21%	\$ 41,134	1.65%	0.47%	\$ 17	16	\$ 514.17	\$ 8,227		X	
96	06	First State Montessori Academy	67	0	0.00%	\$ -	0.00%	0.00%	\$ -	-	\$ -	\$ -		X	
96	12	Freire Charter School	44	0	0.00%	\$ -	0.00%	0.00%	\$ -	-	\$ -	\$ -		X	
96	11	Great Oaks Charter School	40	0	0.00%	\$ -	0.00%	0.00%	\$ -	-	\$ -	\$ -		X	
96	07	First State Military Academy	41	3	7.32%	\$ 1,717	5.97%	0.25%	\$ 42	3	\$ 214.63	\$ 572		X	
96	09	Delaware Design-Lab High School	7	2	28.57%	\$ 2,263	8.47%	0.60%	\$ 323	4	\$ 282.82	\$ 1,131		X	
96	05	Academia Antonia Alonso	63	1	1.59%	\$ 4,309	8.54%	0.23%	\$ 68	20	\$ 215.45	\$ 4,309		X	
96	04	Early College High School	24	1	4.17%	\$ 3,838	8.46%	0.50%	\$ 160	11	\$ 348.87	\$ 3,838			X

Appendix B

COST AVOIDANCE RATE: \$ 44.00			SAVINGS BASED ON COST AVOIDANCE RATE						
DEPT_ID	DIV_ID	DEPARTMENT	Checkbook Transaction \$0.00 To \$2,500	Convert 5% Checkbook to PCard		Convert 10% Checkbook to PCard		Convert 20% Checkbook to PCard	
				Transactions	Savings	Transactions	Savings	Transactions	Savings
01		Legislative	2,801	140	\$ 6,160.00	280	\$ 12,320.00	560	\$ 24,640.00
02		Judicial	65,229	3,261	\$ 143,484.00	6,522	\$ 286,968.00	13,045	\$ 573,980.00
10		Office of the Governor	34,693	1,734	\$ 76,296.00	3,469	\$ 152,636.00	6,938	\$ 305,272.00
11		Department of Technology and Information (DTI)	5,234	261	\$ 11,484.00	523	\$ 23,012.00	1,046	\$ 46,024.00
12	01	Lieutenant Governor	362	18	\$ 792.00	36	\$ 1,584.00	72	\$ 3,168.00
12	02	Auditor Of Accounts	665	33	\$ 1,452.00	66	\$ 2,904.00	133	\$ 5,852.00
12	03	Insurance Commissioner	6,101	305	\$ 13,420.00	610	\$ 26,840.00	1,220	\$ 53,680.00
12	05	State Treasurer	3,379	168	\$ 7,392.00	337	\$ 14,828.00	675	\$ 29,700.00
15		Attorney General	15,535	776	\$ 34,144.00	1,553	\$ 68,332.00	3,107	\$ 136,708.00
16		Department of Human Resources	6,931	346	\$ 15,224.00	693	\$ 30,492.00	1,386	\$ 60,984.00
20		Department of State	24,868	1,243	\$ 54,692.00	2,486	\$ 109,384.00	4,973	\$ 218,812.00
25		Department of Finance	5,881	294	\$ 12,936.00	588	\$ 25,872.00	1,176	\$ 51,744.00
35		Department of Health and Social Services (DHSS)	142,251	7,112	\$ 312,928.00	14,225	\$ 625,900.00	28,450	\$ 1,251,800.00
37		Department of Services for Child, Youth & Their Families	37,054	1,852	\$ 81,488.00	3,705	\$ 163,020.00	7,410	\$ 326,040.00
38		Department of Corrections	32,598	1,629	\$ 71,676.00	3,259	\$ 143,396.00	6,519	\$ 286,836.00
40		Department of Natural Resources & Envir. Control	76,147	3,807	\$ 167,508.00	7,614	\$ 335,016.00	15,229	\$ 670,076.00
45		Department of Safety and Homeland Security (DSHS)	33,568	1,678	\$ 73,832.00	3,356	\$ 147,664.00	6,713	\$ 295,372.00
55		Department of Transportation	68,531	3,426	\$ 150,744.00	6,853	\$ 301,532.00	13,706	\$ 603,064.00
60		Department of Labor	52,374	2,618	\$ 115,192.00	5,237	\$ 230,428.00	10,474	\$ 460,856.00
65		Department of Agriculture	14,377	718	\$ 31,592.00	1,437	\$ 63,228.00	2,875	\$ 126,500.00
70		Department of Elections	10,224	511	\$ 22,484.00	1,022	\$ 44,968.00	2,044	\$ 89,936.00
75		Fire Prevention Commission	2,890	144	\$ 6,336.00	289	\$ 12,716.00	578	\$ 25,432.00
76		Delaware National Guard	6,907	345	\$ 15,180.00	690	\$ 30,360.00	1,381	\$ 60,764.00
77		Advisory Council for Exceptional Citizens	337	16	\$ 704.00	33	\$ 1,452.00	67	\$ 2,948.00
90	04	Delaware Technical Community College	60,740	3,037	\$ 133,628.00	6,074	\$ 267,256.00	12,148	\$ 534,512.00
95	01-06	Department of Education	17,313	865	\$ 38,060.00	1,731	\$ 76,164.00	3,462	\$ 152,328.00
95	10	Caesar Rodney School District	24,326	1,216	\$ 53,504.00	2,432	\$ 107,008.00	4,865	\$ 214,060.00
95	13	Capital School District	29,649	1,482	\$ 65,208.00	2,964	\$ 130,416.00	5,929	\$ 260,876.00
95	15	Lake Forest School District	16,717	835	\$ 36,740.00	1,671	\$ 73,524.00	3,343	\$ 147,092.00
95	16	Laurel School District	8,259	412	\$ 18,128.00	825	\$ 36,300.00	1,651	\$ 72,644.00
95	17	Cape Henlopen School District	25,297	1,264	\$ 55,616.00	2,529	\$ 111,276.00	5,059	\$ 222,596.00
95	18	Milford School District	14,206	710	\$ 31,240.00	1,420	\$ 62,480.00	2,841	\$ 125,004.00
95	23	Seaford School District	14,160	708	\$ 31,152.00	1,416	\$ 62,304.00	2,832	\$ 124,608.00
95	24	Smyrna School District	9,407	470	\$ 20,680.00	940	\$ 41,360.00	1,881	\$ 82,764.00
(continued on next page)									

Appendix B (continued)

COST AVOIDANCE RATE: \$			44.00	SAVINGS BASED ON COST AVOIDANCE RATE					
DEPT_ID	DIV_ID	DEPARTMENT	Checkbook Transaction \$0.00 To \$2,500	Convert 5% Checkbook to PCard		Convert 10% Checkbook to PCard		Convert 20% Checkbook to PCard	
				Transactions	Savings	Transactions	Savings	Transactions	Savings
95	29	Appoquinimink School District	28,356	1,417	\$ 62,348.00	2,835	\$ 124,740.00	5,671	\$ 249,524.00
95	31	Brandywine School District	39,688	1,984	\$ 87,296.00	3,968	\$ 174,592.00	7,937	\$ 349,228.00
95	32	Red Clay Consolidated School District	53,391	2,669	\$ 117,436.00	5,339	\$ 234,916.00	10,678	\$ 469,832.00
95	33	Christina School District	66,817	3,340	\$ 146,960.00	6,681	\$ 293,964.00	13,363	\$ 587,972.00
95	34	Colonial School District	27,148	1,357	\$ 59,708.00	2,714	\$ 119,416.00	5,429	\$ 238,876.00
95	35	Woodbridge School District	8,195	409	\$ 17,996.00	819	\$ 36,036.00	1,639	\$ 72,116.00
95	36	Indian River School District	35,938	1,796	\$ 79,024.00	3,593	\$ 158,092.00	7,187	\$ 316,228.00
95	37	Delmar School District	5,187	259	\$ 11,396.00	518	\$ 22,792.00	1,037	\$ 45,628.00
95	38	New Castle County Vo Tech School	16,526	826	\$ 36,344.00	1,652	\$ 72,688.00	3,305	\$ 145,420.00
95	39	Polytech School District	8,581	429	\$ 18,876.00	858	\$ 37,752.00	1,716	\$ 75,504.00
95	40	Sussex Technical School District	9,170	458	\$ 20,152.00	917	\$ 40,348.00	1,834	\$ 80,696.00
95	43	Howard T. Ennis	2,308	115	\$ 5,060.00	230	\$ 10,120.00	461	\$ 20,284.00
95	57	New Castle County Data Service Center	511	25	\$ 1,100.00	51	\$ 2,244.00	102	\$ 4,488.00
95	69	ASPIRA Academy	3,121	156	\$ 6,864.00	312	\$ 13,728.00	624	\$ 27,456.00
95	70	The Charter School Of Wilmington	1,209	60	\$ 2,640.00	120	\$ 5,280.00	241	\$ 10,604.00
95	71	Positive Outcomes Charter School	1,676	83	\$ 3,652.00	167	\$ 7,348.00	335	\$ 14,740.00
95	72	East Side Charter School	2,167	108	\$ 4,752.00	216	\$ 9,504.00	433	\$ 19,052.00
95	74	Campus Community School	1,460	73	\$ 3,212.00	146	\$ 6,424.00	292	\$ 12,848.00
95	76	Thomas A Edison Charter School	2,170	108	\$ 4,752.00	217	\$ 9,548.00	434	\$ 19,096.00
95	77	Sussex Academy Of Arts/Science	2,174	108	\$ 4,752.00	217	\$ 9,548.00	434	\$ 19,096.00
95	79	Delaware Military Academy	1,219	60	\$ 2,640.00	121	\$ 5,324.00	243	\$ 10,692.00
95	80	Charter School of New Castle	2,190	109	\$ 4,796.00	219	\$ 9,636.00	438	\$ 19,272.00
95	82	Kuumba Academy Charter School	1,722	86	\$ 3,784.00	172	\$ 7,568.00	344	\$ 15,136.00
95	85	Academy Of Dover Charter School	1,156	57	\$ 2,508.00	115	\$ 5,060.00	231	\$ 10,164.00
95	86	Odyssey Charter School	3,731	186	\$ 8,184.00	373	\$ 16,412.00	746	\$ 32,824.00
95	87	Providence Creek Academy Charter School	2,714	135	\$ 5,940.00	271	\$ 11,924.00	542	\$ 23,848.00
95	88	MOT Charter School	4,125	206	\$ 9,064.00	412	\$ 18,128.00	825	\$ 36,300.00
95	89	Newark Charter School	3,053	152	\$ 6,688.00	305	\$ 13,420.00	610	\$ 26,840.00
95	92	Gateway Lab School	1,119	55	\$ 2,420.00	111	\$ 4,884.00	223	\$ 9,812.00
96	04	Early College High School	1,310	65	\$ 2,860.00	131	\$ 5,764.00	262	\$ 11,528.00
96	05	Academia Antonia Alonso	2,443	122	\$ 5,368.00	244	\$ 10,736.00	488	\$ 21,472.00
96	06	First State Montessori Academy	1,380	69	\$ 3,036.00	138	\$ 6,072.00	276	\$ 12,144.00
96	07	First State Military Academy	1,322	66	\$ 2,904.00	132	\$ 5,808.00	264	\$ 11,616.00
96	09	Delaware Design-Lab High School	984	49	\$ 2,156.00	98	\$ 4,312.00	196	\$ 8,624.00
96	11	Great Oaks Charter School	1,408	70	\$ 3,080.00	140	\$ 6,160.00	281	\$ 12,364.00
96	12	Freire Charter School	1,791	89	\$ 3,916.00	179	\$ 7,876.00	358	\$ 15,752.00
TOTAL:			1,216,515	60,790	\$ 2,674,760.00	121,616	\$ 5,351,104.00	243,267	\$10,703,748.00